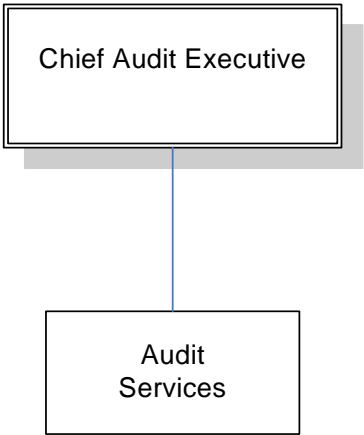




Office of Internal Audit



INTERNAL AUDITOR

Department Mission

The Office of Internal Audit provides independent, objective assurance and consulting activities that assist both policy makers and program managers in providing high-quality services in a manner that is accountable, efficient, effective, and ethical.

Internal Audit is an integral part of corporate governance.

Programs and Services

The Office of Internal Audit provides Internal Auditing Services for Metro Louisville Government. This includes 1) Assurance Services reviewing operations, policies, and procedures to ensure that the appropriate control structure is in place and that business risks are considered, 2) Consulting Services for requestors to help address specific issues and concerns, 3) Information Technology Auditing Services to help ensure that electronic information is processed as intended, data integrity is maintained, and the control structure is effective and 4) Integrity Services involving the investigation of allegations of employee misconduct or non-violent criminal acts involving Metro Government resources.

Goals & Indicators

Goals

- Provide professional internal auditing services that incorporate best practices of industry and adhere to standards
- Deliver internal auditing services that contribute to:
 - Accomplishment of business objectives and goals;
 - Effectiveness and efficiency of operations and programs;
 - Reliability of financial information;
 - Compliance with applicable laws and regulations;
 - Safeguarding of assets

Indicators

It is difficult to effectively measure performance in the internal audit profession. The passive nature of our work does not lend itself to quantifiable measures that are truly indicative of performance. This is due to that fact that a significant portion of our value comes through intangibles.

We have explored the feasibility of using industry benchmarks to measure our performance. Other non-local government industry sectors have an abundance of data, both quantifiable and non-quantifiable. The following are types of measures used in these sectors:

- Number of process improvements
- Number of management requests
- Importance of audit issue
- Number of internal auditors to total employees
- Completed vs. planned audits
- Training expenditures per internal auditor
- Training hours per internal auditor

These benchmarks are not very useful for us. While benchmarks provide meaningful information for comparing and contrasting with others, the problem we have is the lack of comparable data for the local government sector. We continue to monitor the Institute of Internal Auditors' Global Auditing Information Network (GAIN) and the National Association of Local Government Auditors' to consider the usefulness and availability of information in this area.

Internal Auditor**Budget Summary**

	Prior Year Actual 2003-2004	Original Budget 2004-2005	Revised Budget 2004-2005	Mayor's Recommended 2005-2006	Council Approved 2005-2006
General Fund Appropriation	651,500	677,400	677,400	676,500	676,500
Total Revenue:	651,500	677,400	677,400	676,500	676,500
Personal Services	542,400	579,900	579,900	605,300	605,300
Contractual Services	29,400	45,700	45,700	45,700	45,700
Supplies	4,400	5,000	5,000	5,000	5,000
Equipment/Capital Outlay	4,300	4,000	4,000	4,000	4,000
Interdepartment Charges	34,300	6,100	6,100	16,500	16,500
Other Expenses	36,400	36,700	36,700	0	0
Total Expenditure:	651,200	677,400	677,400	676,500	676,500
Expenditures By Activity					
Internal Auditor	651,200	677,400	677,400	676,500	676,500
Total Expenditure:	651,200	677,400	677,400	676,500	676,500

		Position Detail	
Internal Auditor			
		Mayor's Recommended FY2005-2006	Council Approved FY2005-2006
Position Allocation (in Full-Time Equivalents)			
Full-Time		9	9
Permanent Part-Time		0	0
Seasonal/Other		0	0
Total Positions		9	9
PROGRAMS			
<i>Internal Auditor</i>			
Full-Time		9	9
Permanent Part-Time		0	0
Seasonal/Other		0	0
Total Positions		9	9
Title			
Administrative Specialist		1	1
Assistant Director		1	1
Director		1	1
Internal Audit Supvsr		1	1
Internal Auditor II		5	5